

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 254

Session of
1977

INTRODUCED BY ZEARFOSS AND RHODES, FEBRUARY 9, 1977

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, FEBRUARY 9, 1977

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," further providing for
4 certain medical assistance payments.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Clause (3) of section 443.1, act of June 13, 1967
8 (P.L.31, No.21), known as the "Public Welfare Code," amended
9 July 15, 1976 (No.202), is amended to read:

10 Section 443.1. Medical Assistance Payments for Institutional
11 Care.--The following medical assistance payments shall be made
12 in behalf of eligible persons whose institutional care is
13 prescribed by physicians:

14 * * *

15 (3) [Rates on a cost-related basis established by the
16 department for] The reasonable cost, as certified to the
17 department by the Auditor General, of skilled nursing home or
18 intermediate care in a non-public nursing home, when furnished
19 by a nursing home licensed or approved by the department and

1 qualified to participate under Title XIX of the Federal Social
2 Security Act;

3 * * *

4 Section 2. Sections 443.2 and 443.3 of the act, amended
5 November 28, 1973 (.L.364, No.128), are amended to read:

6 Section 443.2. Medical Assistance Payments for Home Health
7 Care.--The following medical assistance payments shall be made
8 in behalf of eligible persons whose care in the home has been
9 prescribed by a physician, chiropractor or podiatrist:

10 (1) [Rates established by the department for] The reasonable
11 cost, as certified to the department by the Auditor General, of
12 post-hospital home care, as specified by regulations of the
13 department adopted under Title XIX of the Federal Social
14 Security Act for not more than one hundred eighty days following
15 a period of hospitalization, if such care is related to the
16 reason the person was hospitalized and if given by a hospital as
17 comprehensive hospital type care in a patient's home;

18 (2) [Rates established by the department for] The reasonable
19 cost, as certified to the department by the Auditor General, of
20 home health care services if such services are furnished by a
21 voluntary or governmental health agency or licensed home health
22 agencies.

23 Section 443.3. Other Medical Assistance Payments.--Payments
24 on behalf of eligible persons shall be made for other services,
25 as follows:

26 (1) [Rates established by the department for outpatient
27 services] The reasonable cost as certified to the department by
28 the Auditor General of outpatient hospital care as specified by
29 regulations of the department adopted under Title XIX of the
30 Federal Social Security Act consisting of preventive,

1 diagnostic, therapeutic, rehabilitative or palliative services;
2 furnished by or under the direction of a physician, chiropractor
3 or podiatrist, by a hospital, public health center or outpatient
4 clinic which qualifies to participate under Title XIX of the
5 Federal Social Security Act, to a patient to whom such hospital,
6 public health center or outpatient clinic does not furnish room,
7 board and professional services on a continuous, twenty-four
8 hour a day basis.

9 (2) [Rates established by the department for] The reasonable
10 cost, as certified to the department by the Auditor General, of
11 (i) other laboratory and X-ray services prescribed by a
12 physician, chiropractor or podiatrist and furnished by a
13 facility other than a hospital which is qualified to participate
14 under Title XIX of the Federal Social Security Act, (ii)
15 physician's services consisting of professional care by a
16 physician, chiropractor or podiatrist in his office, the
17 patient's home, a hospital, a nursing home or elsewhere, (iii)
18 the first three pints of whole blood, (iv) remedial eye care, as
19 provided in Article VIII consisting of medical or surgical care
20 and aids and services and other vision care provided by a
21 physician skilled in diseases of the eye or by an optometrist
22 which are not otherwise available under this Article, (v)
23 special medical services for school children, as provided in the
24 Public School Code of 1949, consisting of medical, dental,
25 vision care provided by a physician skilled in diseases of the
26 eye or by an optometrist or surgical care and aids and services
27 which are not otherwise available under this article.

28 (3) The reasonable cost, as certified to the department by
29 the Auditor General, the emergency services defined as those
30 which are necessary to prevent death or serious impairment of

1 the health of the individual and which, because of the threat to
2 the life or health of the individual, necessitate the use of the
3 most accessible hospital available and equipped to furnish such
4 services.

5 Section 3. The act is amended by adding a section to read:

6 Section 443.6. Incentive Payments.--(a) In order to promote
7 greater efficiency or management in health care facilities, the
8 Secretary of Public Welfare shall award annual basis incentive
9 payments to institutional providers whose allowable routine
10 service cost is substantially less than the group mean, thus
11 demonstrating extraordinary efficiency.

12 (b) Those hospitals would be eligible for an incentive
13 payment which (i) are five per cent or more below the weighted
14 group mean per diem routine service cost, and, (ii) have a per
15 diem routine service cost less than that of seventy-five per
16 cent of the hospitals in the group.

17 (c) The amount of the incentive payment would be a per diem
18 dollar amount equal to one-half of the difference between the
19 facilities per diem routine service cost and the nearest per
20 diem dollar value at the lower limit which includes at least
21 seventy-five per cent of the facilities within the group.

22 (d) The amount of the incentive payment may be included as
23 an addition to the facilities specified prospective rate for two
24 years following the date of the award.

25 (e) These funds may be used by the facility for the
26 following purposes:

27 (1) Reducing debt.

28 (2) Providing funds for future expansion (as approved by the
29 appropriate planning agency).

30 (3) Improving the quality of patient care service.

1 (4) Funding appropriate approved new services such as home
2 care, expanded outpatient service, etc.

3 (5) Reward efficient managers through additional
4 compensation related to performance improvements.

5 (f) A uniform standard of reporting shall be established by
6 the Auditor General to aid in determining the reasonable cost
7 reimbursements and the incentive payments.

8 Section 4. This act shall take effect immediately.